

HOUSE BILL NO. 10

INTRODUCED BY G. MATTHEWS

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT A PERSON LICENSED AS AN INSURANCE PRODUCER MAY OPERATE OUT OF MORE THAN ONE BUSINESS LOCATION UNDER A SINGLE LICENSE; PROVIDING FOR CERTAIN NOTICES TO BE MAILED TO EACH BUSINESS LOCATION; CLARIFYING REQUIREMENTS FOR DISPLAY OF LICENSES AND RECORD RETENTION AT EACH BUSINESS LOCATION; AND AMENDING SECTIONS 33-17-214, 33-17-1002, AND 33-17-1101, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-17-214, MCA, is amended to read:

"33-17-214. Issuance of license -- insurance producer lines of authority -- license data -- lapse of license -- change of address. (1) A person who has met the requirements of 33-17-211 and 33-17-212 must be issued a license, unless that person has been denied a license pursuant to 33-17-1001.

(2) An insurance producer may receive a license qualifying the insurance producer in one or more of the following lines of authority:

(a) life insurance coverage on human lives, including benefits of endowment and annuities, and the coverage may include benefits in the event of death or dismemberment by accident and benefits for disability income;

(b) accident and health or sickness insurance coverage providing for sickness, bodily injury, or accidental death, and the coverage may provide benefits for disability income;

(c) property insurance coverage for the direct or consequential loss or damage to property of every kind;

(d) casualty insurance coverage against legal liability, including liability for death, injury, or disability or damage to real or personal property;

(e) variable life and variable annuity products insurance coverage provided under variable life insurance contracts and variable annuities;

(f) personal lines of property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes;

(g) limited line credit insurance; or

(h) any other line of insurance permitted under Title 33.

(3) The license must state the name and address of the licensee, personal identification number, date of issuance, general conditions relative to expiration or termination, kind of insurance covered, and other information that the commissioner considers necessary.

(4) The license of a partnership, corporation, or association must also state the name of each individual authorized to exercise the license powers.

(5) A person who meets the requirements of subsection (1) and who operates in more than one business location in this state may do so under a single license. The license must state the address of each business location and must be displayed as provided for in 33-17-1101.

~~(5)(6)~~ Each license remains in effect, unless it is suspended, revoked, or terminated or the license lapses.

~~(6)(7)~~ A person shall inform the commissioner in writing of a change of address or, if the person operates in more than one business location, any address changes, as well as any additions or deletions of business locations, within 30 days of the change."

Section 2. Section 33-17-1002, MCA, is amended to read:

"33-17-1002. Procedure following suspension or revocation. (1) Upon suspension, revocation, or refusal of a license, the commissioner shall notify the licensee or applicant by mail addressed to the licensee or applicant at the last-known address contained in the records of the commissioner. If a licensee's license lists more than one address, the notice must be mailed to each address appearing on the license. Notice is effectuated when mailed.

(2) The commissioner may reissue a license that has lapsed if the insurance producer has paid the lapsed license reinstatement fee pursuant to 33-2-708 and has filed certification of completion of continuing education requirements for the preceding biennium within 1 year of the lapse occurring.

(3) The commissioner may not ~~again~~ issue a license ~~under this code~~ to a person whose license has been revoked until after expiration of 1 year and until the person again qualifies for a license in accordance with ~~this code~~ the applicable provisions of Title 33. If the commissioner revokes a person's license, the commissioner may refuse to issue a license to the person for up to 5 years after the revocation. A person whose license has been revoked twice is not again eligible for any license under ~~this code~~ Title 33.

(4) If the license of a partnership or corporation is suspended or revoked, a member of the partnership

1 or officer or director of the corporation may not be licensed or be designated in a license to exercise ~~its~~ the
2 powers granted by the license during the period of the suspension or revocation unless the commissioner
3 determines upon substantial evidence that the member, officer, or director was not personally at fault and did
4 not acquiesce in the matter on account of which the license was suspended or revoked."

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6 **Section 3.** Section 33-17-1101, MCA, is amended to read:

7 **"33-17-1101. Place of business -- display of license -- records.** (1) A resident insurance producer
8 shall maintain a place or places of business in this state accessible to the public. A nonresident insurance
9 producer may maintain a place or places of business in this state. An insurance producer's place or places of
10 business must be a place in which transactions are conducted under the insurance producer's license. The street
11 address or addresses of the place or places of business must appear upon the license. This section does not
12 prohibit the maintenance of a place of business in a licensee's place of residence.

13 (2) The license must be conspicuously displayed in ~~a~~ each place of business at the street address or
14 addresses shown on the license in a part of the place of business customarily open to the public.

15 (3) The insurance producer shall keep at ~~a~~ each place of business complete records pertaining to
16 transactions under the license for a period of at least 3 years after completion of the respective transactions,
17 except that a title insurance producer, as defined in 33-25-105, shall retain records as provided in 33-25-214
18 and 33-25-216."

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